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Sent: 2/13/2013 11:15:30 AM
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CC:
Subject: headlines

Texas

Chesapeake delays gas wells at D/FW Airport

Feb 12, 2013 - Low natural gas prices prompted Chesapeake Energy Corp. to ask for more time to fulfill its drilling obligations at Dallas/Fort Worth International Airport. The Oklahoma City-based company had originally planned to drill 14 gas wells at the airport by the end of 2014, six this year and eight next year, said Jim Jackson, natural gas project manager for the airport.

The extension would give Chesapeake until the end of 2014 to drill six wells and until the end of 2015 to finish the final eight. The airport would like the price of natural gas to get above **\$5 per million Btu** before drilling, Jackson said. Today, the price is \$3.28, according to Bloomberg.

<http://www.bizjournals.com/dallas/news/2013/02/12/chesapeake-delays-gas-wells-at-dfw.html>

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Report questions long-term productivity of gas wells in Barnett Shale

Feb 12, 2013 - As natural gas fields go, the rise of the Barnett Shale from a novelty to the nation's largest by 2008 was extraordinary. But when it comes to the output from the thousands of wells that have been drilled in the North Texas field since 1981, ordinary is perhaps a better word. An as-yet-unreleased study of the Barnett Shale by the Bureau of Economic Geology at the University of Texas at Austin, which looked at the performance of more than 16,000 wells through June 2011, projects an average lifetime production of about 1.44 billion cubic feet for a model horizontal well, according to preliminary results presented at an Austin energy conference in November.

That figure, called the estimated ultimate recovery, or EUR, is well below many industry estimates of at least 2 billion cubic feet (bcf) of gas and as much as 3 bcf per well. **Deborah Rogers, executive director of Energy Policy Forum and a doubter of shale's staying power, said the Barnett is declining and Tinker's estimates might still prove optimistic.** The Fort Worth resident says producers are already running short of good drilling locations.

<http://www.star-telegram.com/2013/02/12/4617558/report-questions-long-term-productivity.html>

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Ohio

Ohio seeks new tests, reports on drilling waste

The legislation sets thresholds for concentrations of technologically enhanced radioactive material nicknamed TENORM (pronounced t-norm) of five picocuries per gram of **radium-226** or radium-227. State officials said that s in line with national standards. Drilling wastes containing more than that could either be diluted under regulatory supervision, or would be sent to one of the out-of-state low-level radioactive disposal sites licensed to handle such material.

The Ohio departments of Health and Natural Resources and the Ohio Environmental Protection Agency worked together on the legislative package. Officials said **high concentrations of radium can lead to high levels of radon, an odorless colorless gas that s been linked to lung cancer.**

<http://www.observer-reporter.com/article/20130212/NEWS04/130219810/-1/NEWS>

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SW Pennsylvania

Briny water flows into area streams

Feb 13, 2013 - Recently, Dufalla s group has found there s something unexpected in mine waste bromide. On its own, bromide is a salt found in many places. But when it s mixed with chlorine at a water treatment plant, it can create **cancer-causing agents called trihalomethanes.** **Dufalla wants to know where the bromide is coming from,** since it isn t usually found at high levels in mine discharge. He has repeatedly asked the federal Environmental Protection Agency, the state Department of Environmental Protection, the governor and energy industry officials, he said. But he receives no answer or he s brushed off.

Dufalla just wants someone to pay attention and investigate. Without an answer from officials, Dufalla said he and members of his group are left to form their own conclusions. Somebody, they believe, must be dumping wastewater from hydraulic fracturing, known as fracking, into coal mines. When asked what safeguards are in place for disposing of frack wastewater, a spokesman for the Marcellus Shale Coalition cited the state s **robust regulatory system.**

<http://www.observer-reporter.com/article/20130212/NEWS01/130219796/1003>

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DEP says air quality in Pennsylvania is improving

Feb 12, 2013 - **Emissions from the state's Marcellus Shale gas drilling and production operations in 2011 added 16,542 tons of nitrogen oxides, 6,852 tons of carbon monoxide, and 2,820 tons of volatile organic compounds to the air,** according to data released by the state Department of Environmental Protection today. But overall pollutant emissions from all industrial sources, including power plants, have been reduced. Even with the additional Marcellus emissions, sulfur dioxide emissions are down by 511,187 tons from 2008 to 2011, and nitrogen oxides emissions have fallen by 26,668 tons. Volatile organic compounds emissions are down by 1,488 tons and fine particle emissions have also been reduced.

DEP Secretary Michael Krancer said in a news release that the drilling emissions "represent a small fraction of air pollution in the state." **The Marcellus emissions inventory was based on data reported by 57 well drilling companies and 40 operators of 150 compressor stations in the state.** Approximately 6,000 Marcellus wells have been drilled in the state and about half of those are in production.

<http://www.post-gazette.com/stories/local/state/dep-says-air-quality-in-pennsylvania-is-improving-675026/>

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NEPA

Hearing board judge lets Dimock water appeal continue

Feb 13, 2013 A state Environmental Hearing Board judge has denied a natural gas drilling company's motion to throw out a recently reinstated appeal by two Dimock Twp. families who object to the state's remedy for their methane-tainted water supplies. Judge Bernard A. Labuskes Jr. rejected Cabot Oil & Gas Corp.'s argument that the families had forfeited their right to appeal by accepting payments that the company had put into escrow accounts for them. The money had been set aside as part of a Department of Environmental Protection order that required the company to **restore or replace 18 damaged water supplies.**

The families have argued that the remedy outlined in the order - payments tied to the value of their homes and a now-expired offer to install treatment systems - is not sufficient to permanently replace their water wells and would not remove contaminants other than methane. **Cabot denies that its operations affected the water supplies.** The two families, the Elys and Huberts, are the last of 12 that initially appealed the state's order with Cabot. The others withdrew their hearing board appeals after they settled a separate lawsuit they brought against the company in federal court.

<http://thetimes-tribune.com/news/hearing-board-judge-lets-dimock-water-appeal-continue-1.1443879>

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Dimocked

DEP opens investigation of methane in Dimock water well

Feb 13, 2013 - State environmental regulators are **investigating high levels of methane in a Dimock Twp. water well** in an area of the community still off-limits to some natural gas drilling operations because of a past methane incident. The Department of Environmental Protection began the investigation last week after it received a complaint of turbid water in a private well and later found "high levels" of methane dissolved in the water and airborne gas accumulating in the well, spokeswoman Colleen Connolly said.

Tests at four other water wells did not show elevated levels of the gas, she said, but the state plans to continue monitoring. The home is near the Costello and Gesford well sites operated by Cabot Oil & Gas Corp. that the state is evaluating as part of its investigation, she said. **It is also in a 9-square-mile area where the DEP has barred Cabot from drilling new wells** until methane the state first linked to the company's operations in 2009 subsides in 18 water supplies. The water well now being investigated was not part of the earlier incident, Ms. Connolly said.

<http://thetimes-tribune.com/news/dep-opens-investigation-of-methane-in-dimock-water-well-1.1443921>

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New York

N.Y. Town Is Sued Over Ban on Fracking Discussion

Feb 12, 2013 - Environmental advocates filed a lawsuit on Tuesday against a small town in Broome County, N.Y., whose **board of supervisors has blocked discussion of fracking at public meetings.** The Natural Resources Defense Council and Catskill Citizens for Safe Energy argue that the board of the town of Sanford violated citizens right to free speech when it voted unanimously last September to block any further discussion of the controversial natural gas extraction technique during the public comment sections of town board meetings. (See the video)

This resolution unlawfully bars plaintiffs members from speaking at Town Board meetings about a matter of substantial public interest that has generated significant political activity, the suit, filed in the United States District Court for the Northern District of New York, states. It asks the court to declare the ban unconstitutional and to prevent the board from enforcing its vote. Sanford, with a population of about 2,400, sits atop a section of the gas-rich Marcellus Shale that extends across the border into

Pennsylvania. **Kate Sinding, a lawyer with the resource defense council**, said that to her knowledge, no other town in New York state had formally acted to cut off discussion of fracking. I believe it's a unique situation, she said.

<http://green.blogs.nytimes.com/2013/02/12/n-y-town-is-sued-over-ban-on-fracking-discussion/?ref=naturalgas>

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NY Health Chief: Longer Gas-Drilling Study Needed

Feb 13, 2013 - Environmental groups praised state regulators for delaying a decision on shale gas development until a more in-depth health study is finished, but landowners eager to reap profits from their mineral resources were frustrated at another delay in a rulemaking process that has **kept drilling on hold for 4 1/2 years**. "We're glad to hear that they're not putting an artificial deadline on completion of the regulations, and giving the scientists time to do the science," said **Deborah Goldberg, an attorney for Earthjustice**. Nick Schoonover, a landowner in southern New York who organized a coalition of landowners five years ago to pursue gas leases, said Tuesday the delay is "irresponsible. That's all there is to it."

The Department of Environmental Conservation had faced a deadline Wednesday to complete its comprehensive environmental impact study of drilling for gas using high-volume hydraulic fracturing, or fracking. DEC Commissioner Joe Martens said Tuesday that the deadline will be missed, meaning regulations due to be released Feb. 27 will be delayed. **Martens said he expected Health Commissioner Nirav Shah's review to be done in a few weeks**. But Martens said issuing of permits for shale gas drilling could begin even while regulations are being finished, if the Health Department's review finds the Environmental Conservation Department's impact study adequately addresses health concerns.

<http://abcnews.go.com/US/wireStory/ny-health-chief-longer-gas-drilling-study-needed-18486424>

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California

Doubts voiced on fracking oversight at California hearing

Feb 13, 2013 SACRAMENTO State lawmakers voiced doubts Tuesday that the Brown administration's proposal to regulate hydraulic fracturing is tough enough to protect public health and safety and questioned whether the state's oil regulators could be trusted to enforce it. State senators convened a joint legislative hearing to review the draft regulations, which represent **California's first attempt to govern the controversial drilling process known as "fracking."**

Although the proposed rules would require energy companies to disclose many of the chemicals they inject deep into the ground to break apart rock and release oil, some lawmakers said the **regulations should go further**, including advance notice to nearby landowners and water monitoring around fracking operations. Lawmakers questioned the adequacy of the proposed venue for disclosure, FracFocus, a national fracking registry the industry helped create online to allow for voluntary reporting. Some senators said the disclosure reports should be public records maintained on a state website.

<http://www.latimes.com/news/local/la-me-0213-fracking-20130213,0,2014190.story>

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Colorado

Oil well leaks frac water for 30 hours in Weld County

Feb 12, 2013 - WINDSOR, Colo. Fracking fluid with oil in it gushed from an oil well near Windsor for nearly 30 hours before crews stopped it Tuesday afternoon. The Colorado Oil and Gas Commission says a hydraulic failure at 9:30 a.m. Monday caused a piece of equipment to fall onto a valve and break it. A stream of fluid flowed from the valve until late Tuesday afternoon.

Colorado Oil and Gas Conservation Commission spokesman Todd Hartman says the liquid is frac water with some oil so there was an odor with the spill. PDC dug trenches around the spill to collect the fluid. A vacuum truck worked at the scene to clean up some of the fluid. **This happened as Colorado Governor John Hickenlooper was in Washington addressing the U.S. Senate Energy and Natural Resources Committee.**

<http://kdvr.com/2013/02/12/oil-well-leaks-frac-water-for-30-hours-in-weld-county/>

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Today's **STUCK ON STUPID**

Gov. John Hickenlooper Tells Senate Committee He Drank Fracking Fluid

Feb 13, 2013 - Colorado Governor John Hickenlooper has made no secret of his support for hydraulic fracturing, but on Tuesday he went one big step further and testified that he actually drank fracking fluid. **You can drink it. We did drink it around the table, almost ritual-like, in a funny way,**" Hickenlooper said before the Senate Committee on Energy and Natural Resources.

The governor testified that it wasn't "tasty" but added, "I'm still alive." Hydraulic fracturing is a controversial process of injecting water, sand, and chemicals underground at very high pressures to release natural gas. Most companies however have declined to reveal what components make up their fracking fluids, calling them "trade secrets." Hickenlooper is not the first person to have claimed to drink fracking fluid. A report by the Associated Press in 2011 said that **Halliburton Co. CEO Dave Lesar offered up a company executive to demonstrate the safety of their new fracking fluid recipe CleanStim, by drinking it** during a keynote speech at a conference held by the Colorado Oil and Gas Association.

http://www.huffingtonpost.com/2013/02/13/gov-john-hickenlooper-drank-fracking-fluid-hydraulic-fracturing_n_2674453.html

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Below is a link to the proposed regulation changes to **Pa. Chapter 78** thus far:

News story: Feb 11, 2013

State environmental regulators are moving closer to a major revision of Pennsylvania's oil and gas rules to address surface impacts caused by the development of pipelines, pits, impoundments and well sites. The 73 pages of proposed rule changes largely turn several separate policies and last year's amendments to the Oil and Gas Act into a single set of regulations contained in Chapter 78 of the Pennsylvania Code.

PDF - DRAFT PROPOSED RULEMAKING 1/22/13

<http://files.dep.state.pa.us/OilGas/BOGM/BOGMPortalFiles/OilGasReports/2012/TAB%20MEETINGS/FEB202013/130122Ch78SubchCANNEXA.pdf>

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and a few highlights:

78.52a. Abandoned and orphaned well identification.

(a) Prior to hydraulically fracturing the well, the operator of a natural gas well or horizontal oil well shall identify the location of orphaned or abandoned wells within 1,000 feet of the well bore, including the entire length of a horizontal well bore in accordance with subsection (b). Prior to hydraulically fracturing the well, the operator of a vertical oil well shall identify the location of orphaned or abandoned wells within 500 feet of the well bore in accordance with subsection (b).

(b) Identification shall be accomplished by conducting the following:

(1) A review the Department s orphaned and abandoned well database;

(2) A review of applicable farm line maps, where accessible; and

(3) Submitting a questionnaire on forms provided by the Department to landowners whose property is within the area identified in subsection (a) regarding the precise location of orphaned and abandoned wells on their property.

(c) Prior to hydraulically fracturing a well, the operator shall submit a plat to the Department showing the location and GPS coordinates of orphaned and abandoned wells identified pursuant to subsection (b).

(17) **Condensate**, whether separated or mixed with other fluids, shall not be stored in any open top structure or pit. Tanks used for storing or separating condensate during well completion shall be monitored and shall have controls to prevent vapors from exceeding the lower explosive limits of the condensate outside the tank.

(xi) The pit is reasonably protected from unauthorized acts of third parties.

(c) **Centralized impoundments** shall not be constructed in any portion of the following areas: competent geologic studies demonstrate the absence of limestone and carbonate formations.

(4) Within 500 feet measured horizontally from an occupied dwelling without the written consent of the owner of the building.

(7) Within 1,000 feet measured horizontally of an existing water well, surface water intake, reservoir or other water supply extraction point used by a water purveyor without the written consent of the water purveyor.

(a) The owner or operator may dispose of residual waste, including contaminated drill cuttings, at the well site by **land application** of the waste if the owner or operator satisfies the following requirements:

(b) **Temporary pipelines** that transport fluids other than fresh ground water, surface water, water from water purveyors or approved sources, shall be installed aboveground except when crossing pathways, roads or railways where the pipeline may be installed below ground surface.

(c) Temporary pipelines cannot be installed through existing stream culverts, storm drain pipes or under bridges without approval by the Department pursuant to 105.151 (relating to permit application for construction or modification of culverts and bridges).

(d) The section of a temporary pipeline crossing over a watercourse or body of water, except wetlands, shall not have joints or couplings. Temporary pipeline crossings over wetlands shall utilize a single section of pipe to the extent practicable. Shut off valves shall be installed on both sides of the temporary crossing.

(e) In addition to the requirements of subsection (c), temporary pipelines used to transport fluids other than fresh ground water, surface water, water from water purveyors or approved sources, shall have shut off valves, check valves or other method of segmenting the pipeline placed at designated intervals, to be determined by the pipeline diameter, that prevent the discharge of no more than 1000 barrels of fluid. Elevation changes that would effectively limit flow in the event of a pipeline leak shall be taken into consideration when determining the placement of shut off valves and be considered effective flow barriers.

78.70. Road-spreading of brine for dust control and road stabilization.

(a) Road-spreading of brine from oil and gas wells for dust suppression and road stabilization shall only be conducted pursuant to a plan approved by the Department and shall not result in pollution of the waters of the Commonwealth. Only production brines from conventional wells, not including coalbed methane wells, may be used for dust suppression and road stabilization pursuant to this section. The use of drilling, hydraulic fracture stimulation flowback, plugging fluids, or production brines mixed with well servicing or treatment fluids, except detergents, may not be used

for dust suppression and road stabilization.

(b) Road-spreading of brine for dust control and road stabilization shall only be conducted on unpaved roads.

Each operator of an unconventional well shall submit a **production and status report** for each well on an individual basis, on or before February 15 and August 15 of each year. Production shall be reported for the preceding calendar year or in the case of an [Marcellus shale] **unconventional** well, for the preceding **[6 months] reporting period**. When the production data is not available to the operator on a well basis, the operator shall report production on the most well-specific basis available. The annual production report must include information on the amount and type of waste produced and the method of waste disposal or reuse. Waste information submitted to the Department in accordance with this subsection is deemed to satisfy the residual waste biennial reporting requirements of 287.52 (relating to biennial report).

(11) **Whether methane was encountered in other than a target formation.**

(12) **The country of origin and manufacture of tubular steel products used in the construction of the well.**

(c) When the well operator submits a stimulation record, it may designate specific portions of the stimulation record as containing a **trade secret or confidential proprietary information**. The Department will prevent disclosure of the designated confidential information to the extent permitted under the Right-to-Know Law (65 P. S. 67.101 67.3103) **or other applicable state law**.

[(d) In addition to submitting a stimulation record to the Department under subsection (b), and subject to the protections afforded for trade secrets and confidential proprietary information under the Right-to-Know Law, the operator shall arrange to provide a list of the chemical constituents of the chemical additives used to hydraulically fracture a well, by chemical name and abstract service number, unless the additive does not have an abstract service number, to the Department upon written request by the Department.]

[(e) The **bond amounts** required under section [215] 3225 of the act are as follows:

- (1) Two thousand five hundred dollars for a single well.
- (2) Twenty-five thousand dollars for a blanket bond.]

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Spilling is just the beginning